

Appendix J: Cost Neutrality Demonstration

Appendix J-1: Composite Overview and Demonstration of Cost-Neutrality Formula

Composite Overview. Complete the fields in Cols. 3, 5 and 6 in the following table for each waiver year. The fields in Cols. 4, 7 and 8 are auto-calculated based on entries in Cols 3, 5, and 6. The fields in Col. 2 are auto-calculated using the Factor D data from the J-2d Estimate of Factor D tables. Col. 2 fields will be populated ONLY when the Estimate of Factor D tables in J-2d have been completed.

Level(s) of Care (<i>specify</i>):							
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Year	Factor D	Factor D'	Total: D+D'	Factor G	Factor G'	Total: G+G'	Difference (Column 7 less Column 4)
1	\$ 5,687	\$ 12,146	\$ 17,833	\$ 239,798	\$ 5,181	\$ 244,979	\$ 227,146
2	\$ 10,993	\$ 13,239	\$ 24,232	\$ 246,992	\$ 5,336	\$ 252,328	\$ 228,096
3	\$ 11,787	\$ 14,431	\$ 26,218	\$ 254,402	\$ 5,497	\$ 259,898	\$ 233,680

Appendix J-2: Derivation of Estimates

- a. **Number Of Unduplicated Participants Served.** Enter the total number of unduplicated participants from Item B-3-a who will be served each year that the waiver is in operation. When the waiver serves individuals under more than one level of care, specify the number of unduplicated participants for each level of care:

Table J-2-a: Unduplicated Participants	
Waiver Year	Total Unduplicated Number of Participants (from Item B-3-a)
Year 1	400
Year 2	450
Year 3	500

State:	
Effective Date	

- b. Average Length of Stay.** Describe the basis of the estimate of the average length of stay on the waiver by participants in Item J-2-a.

The average length of stay for all waiver years is 354 days. This is based on the average length of stay reported on the CMS 372(S) for the Community Pathways Waiver for fiscal year 2015.

- c. Derivation of Estimates for Each Factor.** Provide a narrative description for the derivation of the estimates of the following factors.

- i. Factor D Derivation.** The estimates of Factor D for each waiver year are located in Item J-2-d. The basis for these estimates is as follows:

The Average Cost per Unit per waiver year is based on DDA's average costs and limits for services from the Community Pathways Waiver CMS 372(S) FY15 and increased each waiver year for cost-of-living adjustment for all services except: Assistive Technology and Services, Behavioral Supports, Individual and Family Directed Goods and Services, Environmental Assessment, Environmental Modifications, Vehicle Modifications, and Transportation. Environmental Assessment unit cost is based on the rate for Maryland's Community Options Waiver and increased by 2% each waiver year.

The average Cost per Unit for Community Support and Navigation, Family Caregiver Training and Empowerment Services, Family and Peer Mentoring Supports, and Participant Education, Training and Advocacy Supports is based similar services in Arizona's Raising Special Kids program but applying Maryland cost values to derive the rates. The Maryland cost values were provided by Johnston, Villegas-Grubbs and Associates, LLC, the rate setting vendor.

The Average Units per User are based on historic utilization of services in the Community Pathways Waiver from CMS 372(S) date FY12-15 for all services except: Community Support and Navigation, Family Caregiver Training and Empowerment Services, Family and Peer Mentoring Supports, and Participant Education, Training and Advocacy Supports. These services are new therefore; the estimates are based on best practices for those services. In Waiver Year 1 the units for all other services are estimated at half of historic utilization as recipients will not receive a full year of services due to proposed January 2018 implementation.

Individual and Family Directed Goods and Services are based on FY16 utilization as there is no historic data from the CMS 372.

The number of unduplicated recipients has been estimated as follows:

Community Support and Navigation and Family and Peer Mentoring Supports users have been estimated at approximately 50% of total number of waiver users as estimated in Appendix B-3 for Waiver Years 1-3.

Family Caregiver Training and Empowerment Services and Participant Education, Training and Advocacy Supports users have been estimated at approximately 25% of the total number of waiver users as estimated in Appendix B-3 for Waiver Years 1-3.

The estimated users of Assistive Technology and Services, Behavioral Supports, Environmental Assessments, Environmental Modifications, Respite Care Services, Transportation, and Vehicle Modifications are based on the actual percentage of users vs. total unduplicated recipients of those services in the Community Pathways Waiver from CMS 372(S) FY15 and increased by 5% in Waiver Years 2 and 3.

State:	
Effective Date	

The estimated users of Personal Supports in Waiver Year 1 are 75% of estimated recipients with an increase of 5% more estimated users each year for Waiver Years 2-3.

The estimated users of Individual and Family Directed Goods and Services are based on FY16 users as there is no historic data from the CMS 372.

- ii. Factor D' Derivation.** The estimates of Factor D' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

The estimated annual average per capita Medicaid costs are based on actual costs from the FY15 CMS 372(S) for the Community Pathways Waiver and projected forward using the compound annual growth rate for this factor from the CMS 372(S) FY12-FY15.

- iii. Factor G Derivation.** The estimates of Factor G for each waiver year are included in Item J-1. The basis of these estimates is as follows:

The estimated annual average institutional costs that would be incurred for individuals served in the Waiver, were the waiver not granted, are based on actual data from the Community Pathways Waiver CMS 372(S) FY15 report. The costs are predicted to increase by 3% annually, based on the average yearly increase in medical services costs from 2014-2016 in the Washington-Baltimore area based on the Consumer Price Index (CPI).

- iv. Factor G' Derivation.** The estimates of Factor G' for each waiver year are included in Item J-1. The basis of these estimates is as follows:

The estimated annual average per capita Medicaid costs for all other services other than those included in factor G for individuals served in the Waiver, were the waiver not granted, are based on actual data from the Community Pathways Waiver CMS 372(S) FY15 report. The costs are predicted to increase by 3% annually, based on the average yearly increase in medical services costs from 2014-2016 in the Washington-Baltimore area based on the Consumer Price Index (CPI).

Component management for waiver services. If the service(s) below includes two or more discrete services that are reimbursed separately, or is a bundled service, each component of the service must be listed. Select “*manage components*” to add these components.

Waiver Services	
Assistive Technology and Services	
Behavioral Support Services	Assessment, Consultation, Brief Support Implementation
Community Support and Navigation	
Environmental Assessments	
Environmental Modifications	
Family Caregiver Training and Empowerment Services	

State:	
Effective Date	

Family and Peer Mentoring Supports	
Individual and Family Directed Goods and Services	
Participant Education, Training, and Advocacy Supports	
Personal Supports	
Respite Care Services	Daily, Hourly
Transportation	
Vehicle Modifications	

d. **Estimate of Factor D.** *Select one:* Note: Selection below is new.

<input checked="" type="checkbox"/>	The waiver does not operate concurrently with a §1915(b) waiver. Complete Item J-2-d-i
<input type="checkbox"/>	The waiver operates concurrently with a §1915(b) waiver. Complete Item J-2-d-ii

i. **Estimate of Factor D – Non-Concurrent Waiver.** Complete the following table for each waiver year. Enter data into the Unit, # Users, Avg. Units Per User, and Avg. Cost/Unit fields for all the Waiver Service/Component items. Select Save and Calculate to automatically calculate and populate the Component Costs and Total Costs fields. All fields in this table must be completed in order to populate the Factor D fields in the J-1 Composite Overview table.

Waiver Year: Year 1					
Waiver Service / Component	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
	Unit	# Users	Avg. Units Per User	Avg. Cost/Unit	Total Cost
Assistive Technology and Services	Item	2	1	\$ 1,320.00	\$ 2,640.00
Behavioral Supports:					\$ 68,600.00
<i>Assessment</i>	Assessment	11	1	\$ 1,200.00	\$ 13,200.00
<i>Consultation</i>	30 minutes	40	15	\$ 75.00	\$ 45,000.00
<i>Brief Supports Implementation</i>	30 minutes	26	8	\$ 50.00	\$ 10,400.00
Community Support and Navigation	Hour	200	10	\$ 57.54	\$ 115,080.00
Environmental Assessments	Assessment	1	1	\$ 419.97	\$ 419.97
Environmental Modifications	Item	1	1	\$ 7,089.93	\$ 7,089.93
Family Caregiver Training and Empowerment Services	Hour	100	10	\$ 57.54	\$ 57,540.00
Family and Peer Mentoring Supports	Hour	200	5	\$ 57.54	\$ 57,540.00
Individual and Family Directed Goods and Services	Items & Services	3	4	\$ 100.00	\$ 1,200.00

State:	
Effective Date	

Waiver Year: Year 1					
Waiver Service / Component	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Total Cost
Participant Education, Training, and Advocacy Supports	Hour	100	10	\$ 57.54	\$ 57,540.00
Personal Supports	15 minutes	300	746	\$ 7.83	\$ 1,752,354.00
Respite Care Services:					\$ 131,148.00
<i>Hourly</i>	Hour	20	40	\$ 31.53	\$ 25,224.00
<i>Daily</i>	Day	35	12	\$ 252.20	\$ 105,924.00
Transportation	Trip	100	30	\$ 5.00	\$ 15,000.00
Vehicle Modifications	Item	1	1	\$ 8,750.00	\$ 8,750.00
GRAND TOTAL:					\$ 2,274,901.90
TOTAL ESTIMATED UNDUPLICATED PARTICIPANTS (from Table J-2-a)					400
FACTOR D (Divide grand total by number of participants)					\$ 5,687.25
AVERAGE LENGTH OF STAY ON THE WAIVER					354

Waiver Year: Year 2					
Waiver Service / Component	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Total Cost
Assistive Technology and Services	Item	2	1	\$1,320.00	\$ 2,640.00
Behavioral Supports:					\$ 131,300.00
<i>Assessment</i>	Assessment	12	1	\$1,200.00	\$ 14,400.00
<i>Consultation</i>	30 minutes	42	30	\$ 75.00	\$ 94,500.00
<i>Brief Supports Implementation</i>	30 minutes	28	16	\$ 50.00	\$ 22,400.00
Community Support and Navigation	Hour	225	10	\$ 58.69	\$ 132,052.50
Environmental Assessments	Assessment	2	1	\$ 501.80	\$ 1,003.60
Environmental Modifications	Item	2	1	\$7,089.93	\$ 14,179.86

State:	
Effective Date	

Waiver Year: Year 2					
Waiver Service / Component	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Total Cost
Family Caregiver Training and Empowerment Services	Hour	112	10	\$ 58.69	\$ 65,732.80
Family and Peer Mentoring Supports	Hour	225	5	\$ 58.69	\$ 66,026.25
Individual and Family Directed Goods and Services	Items & Services	5	6	\$ 100.00	\$ 3,000.00
Participant Education, Training, and Advocacy Supports	Hour	112	10	\$ 58.69	\$ 65,732.80
Personal Supports	15 minutes	360	1492	\$ 7.99	\$ 4,291,588.80
Respite Care Services:					\$ 141,233.40
<i>Hourly</i>	Hour	21	40	\$ 32.16	\$ 27,014.40
<i>Daily</i>	Day	37	12	\$ 257.25	\$ 114,219.00
Transportation	Trip	100	30	\$ 5.00	\$ 15,000.00
Vehicle Modifications	Item	2	1	\$8,750.00	\$ 17,500.00
GRAND TOTAL:					\$ 4,946,990.01
TOTAL ESTIMATED UNDUPLICATED PARTICIPANTS (from Table J-2-a)					450
FACTOR D (Divide grand total by number of participants)					\$ 10,993.31
AVERAGE LENGTH OF STAY ON THE WAIVER					354

State:	
Effective Date	

Waiver Year: Year 3					
Waiver Service / Component	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
	Unit	# Users	Avg. Units Per User	Avg. Cost/ Unit	Total Cost
Assistive Technology and Services	Item	2	1	\$1,320.00	\$ 2,640.00
Behavioral Supports:					\$ 137,800.00
<i>Assessment</i>	Assessment	13	1	\$1,200.00	\$ 15,600.00
<i>Consultation</i>	30 minutes	44	30	\$ 75.00	\$ 99,000.00
<i>Brief Supports Implementation</i>	30 minutes	29	16	\$ 50.00	\$ 23,200.00
Community Support and Navigation	Hour	250	10	\$ 59.86	\$ 149,650.00
Environmental Assessments	Assessment	3	1	\$ 511.85	\$ 1,535.55
Environmental Modifications	Item	3	1	\$7,089.93	\$ 21,269.79
Family Caregiver Training and Empowerment Services	Hour	125	10	\$ 59.86	\$ 74,825.00
Family and Peer Mentoring Supports	Hour	250	5	\$ 59.86	\$ 74,825
Individual and Family Directed Goods and Services	Items & Services	7	6	\$ 100.00	\$ 4,200.00
Participant Education, Training, and Advocacy Supports	Hour	125	10	\$ 59.86	\$ 74,825.00
Personal Supports	15 minutes	425	1492	\$ 8.15	\$ 5,167,915.00
Respite Care Services:					\$ 151,662.52
<i>Hourly</i>	Hour	22	40	\$ 32.80	\$ 28,864.00
<i>Daily</i>	Day	39	12	\$ 262.39	\$ 122,798.52
Transportation	Trip	100	30	\$ 5.00	\$ 15,000.00
Vehicle Modifications	Item	2	1	\$8,750.00	\$ 17,500.00
GRAND TOTAL:					\$ 5,893,647.86
TOTAL ESTIMATED UNDUPLICATED PARTICIPANTS (from Table J-2-a)					500
FACTOR D (Divide grand total by number of participants)					\$ 11,787.30
AVERAGE LENGTH OF STAY ON THE WAIVER					354

State:	
Effective Date	